



COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

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Transmittal Letter: 05-001

Subject: Guidance on Organization-wide and JWOD Project Direct Labor Ratios

Effective Date: October 1, 2004

Attached please find two memoranda providing interim guidance from the Committee for Purchase From People Who Are Blind or Severely Disabled. The first memorandum, Compliance Memorandum #4, concerns nonprofit agency organization-wide direct labor ratio requirements and provides interim guidance related to the percentage of the direct labor hours performed in a qualified nonprofit agency during any fiscal year. The second memorandum, Compliance Memorandum #5, concerns JWOD Program direct labor ratio requirements and provides interim guidance for the direct labor hour ratios for total JWOD work completed by a qualified nonprofit agency and for work completed on individual JWOD projects. Both memoranda provide requirements for phase-in plans for JWOD projects that will not meet the target direct labor ratios.

The general topic discussed in Compliance Memorandum #4 is currently part of the Committee's regulations at 41 CFR 51-1.3, and the Committee will continue to require each qualified nonprofit agency to employ people who are blind or people who have other severe disabilities for at least 75 percent of the direct labor hours performed in the nonprofit agency during any fiscal year. For the other topics discussed in these two memoranda, the Committee is moving forward to incorporate this interim guidance into its regulations at 41 CFR 51, as reflected in the Committee's Fall 2004 Unified Regulatory Agenda entry (which will publish in the *Federal Register* in November 2004). As stated in the Agenda, the Committee anticipates publication of a proposed rule to incorporate this interim guidance into its regulations in February 2005. The proposed rule will solicit public comment for 60 days on the addition of this guidance to the regulations. Please wait to send any comments on the guidance until the proposed rule has been published in the *Federal Register*.

If you have any questions regarding these memoranda, you may contact Mr. Louis Bartalot by telephone at (703) 603-0659 or by email at: lbartalot@jwod.gov.

Original Signed by Leon A. Wilson, Jr.

11-1-2004

Leon A. Wilson, Jr.
Executive Director

Date